



Maryland Department of Agriculture

Office of the Secretary

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REQUEST FOR INFORMATION

BARGE FACILITY FOR SOYBEANS

April 5, 2005

Purpose

The Maryland Department of Agriculture (MDA) is requesting information and comments from qualified firms and other entities interested in developing a barge terminal for the trans-loading and shipment of soybeans to markets within and around the State of Maryland. MDA is seeking information and comments in order to evaluate opportunities to facilitate the development of a barge terminal to support Maryland's grain and soybean farmers.

MDA also welcomes any other comments that may assist the state in making this evaluation.

Maryland Department of Agriculture

MDA is a principal department of the State government. The Secretary of Agriculture has general supervision, direction and control "generally of all matters in any way affecting or relating to the fostering, protection and development of the agricultural interests of the State." Agriculture Article, 2-103 (h).

Background

The 2003 Maryland General Assembly established the Task Force on the Marketing of Grain and other Agricultural Products. This Task Force was charged with evaluating options and proposing strategies to improve the market for Maryland grain, particularly soybeans. The Task Force completed its report to Gov. Robert Ehrlich Jr. on December 31, 2003. This Request for Information (RFI) stems from subsequent research prepared for the Maryland Port Administration (MPA) and from meetings between MDA and affected parties.

The closing of Archer Daniels Midland (ADM) Company's Baltimore grain export pier in June 2001 was the impetus for the Task Force. ADM's North Locust Point facility was the sole remaining grain export elevator the State and exerted a strong influence on the prices of commodities. The facility provided Maryland farmers and producers in nearby states with a nearby outlet for large volumes of soybeans and grain.

Since ADM closed its facility, farmers in Maryland and adjacent states have experienced a decline in the value of their soybeans. In Maryland, farmers plant approximately 500,000 acres of soybeans annually. The crop is planted in rotation with grain and is a critical component of the

state's diversified grain farms. Grain production makes up more than 80 percent of Maryland's cropland.

Farmers in the region are now faced with transporting their crops longer distances and receiving less money for their crops.

In a report prepared for the Task Force, Martin Associates of Lancaster, Pa., concluded that it is not economically feasible to re-establish a large-scale (1 million tons or more) grain export facility at the Port of Baltimore. The State's best short-term option to mitigate the loss of the ADM elevator is in the development of transportation alternatives that would reduce the cost of shipping soybeans to other markets. A rail site in Keymar, Maryland facilitates shipping soybeans from western and central Maryland counties. While rail provides an option at Keymar, barge transshipping is the lowest cost transportation alternative to Chesapeake, Virginia, the closest export terminal for Maryland farmers. A barge operation could reduce the cost of shipping soybeans by as much as 42 cents per bushel.

Request for Information

This Request for Information was created as a result of a report prepared for the Maryland Port Administration by Williams Associates-Engineers (WAE). In order to determine if potential barge transshipment sites exist in Maryland, WAE was commissioned to identify and evaluate potential sites. WAE evaluated 12 sites. Based on the evaluation criteria established, WAE determined that several sites have potential for development as grain barge transload facilities that could potentially benefit Maryland farmers. Both public and privately owned sites were evaluated, each proved to provide potential benefits to farmers. There may be other sites throughout Maryland not identified in the WAE report that could address the current need as well. Any site must also be advantageous to farmers in Southern Maryland as well as central and western Maryland producers.

Basic criteria for a barging site

For a site to be feasible, certain criteria must exist. These criteria include:

- Water depth of at least 12 feet mean low water;
- Acceptable zoning and allowable use environmentally;
- Parcel size of at least 3 acres to accommodate on-site vehicle flow;
- Sufficient bulkhead length to accommodate 1,500-ton barges (approximately 200 feet per barge);
- Close proximity to soybean production
- Roadway trucking access (within a few miles).

Requested Information

Interested respondents should explain their capability to market grain products, specifically soybeans, and specify their experience and ability in handling, storing and transporting soybeans in a manner meeting industry standards. Responses should explain how and when the respondent could establish a barging operation in the State of Maryland to support those farmers who have been disadvantaged by the loss of ADM's Baltimore facility including stating: how, when and where such operations can be established; and who and what is needed to establish, or assist in establishing, such operations.

Responses should also indicate what role may be required of the State.

Please clearly indicate any portion of your response that is confidential. The Maryland Department of Agriculture will maintain confidentiality consistent with the Maryland Public Information Act.

This is a request for information and interest and does not bind the respondent to any commitment nor obligate the State of Maryland to award any contract.

The following reports are available on the Maryland Department of Agriculture Web site, www.mda.state.md.us

- Task Force on the Marketing of Grain and Other Agricultural Products – A Report to Governor Robert L. Ehrlich, Jr., December 31, 2003.
- Barge Trans-load Facility - Soybean Site Location Analysis, Williams Associates Engineers, October 27, 2004

Please submit five (5) copies of the requested information by May 16, 2005 to:

Mark Powell
Director of Special Projects
Maryland Department of Agriculture
50 Harry S. Truman Parkway
Annapolis, Maryland 21401

For more information, please contact Mark Powell, Director of Special Projects at the Maryland Department of Agriculture – Phone Number: 410-841-5770.